**Evasion of Excise Duty by Cigarette Manufacturers**

8. SHRI M. S. GURUPADASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Collector of Central Excise (Calcutta-II) has served show cause notice on New Tobacco Company (NTC) and Duncan Agro Industries Ltd. (DAIL) demanding payment of excise duty to the tune of Rs. 97.5 crores for undervaluation if cigarettes during September, 1981 and February, 1983;

(b) whether such notices have also been issued to any other cigarette companies;

(c) if so, what are the details thereof; and

(d) what is the number of companies which have been served with notices and which have since paid the arrears towards excise duties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Yes Sir.

(c) Details of other show cause notice issued on under-valuation to some major cigarette companies are given below:—

| S.No. | Name of the Company | No. of show cause notices issued | Amount of central excise duty demanded |
|---|---|---|---|
| 1 | M/s. Duncan Tobacco Company, Biccavolu (a division of M/s. Duncans Agro Industries Ltd., Calcutta) | 1 | Rs. 28.13 crores |
| 2 | M/s. G.T.C. Industries Ltd. and its subsidiaries | 9 | Rs. 109 crores (approx.) |
| 3 | M/s. Godfrey Phillips (I) Ltd., Bombay. | 3 | Rs. 48.30 crores |
| 4 | M/s. Hilton Cigarette Co. Ltd., Hyderabad (manufacturing on behalf of M/s. Godfrey Phillips (I) Ltd.) | 1 | Rs. 7.35 crores |
| 5 | M/s. I.T.C. Ltd. | 6 | Yet to be quantified |

(d) Except the undervaluation cases against M/s. I.T.C., the other cases as indicated in part (c) are pending adjudication and no payments have been made by the companies in respect of these cases.

As regards the I.T.C. cases, the company has paid a sum of about Rs. 6.25 crores against penalty of Rs. 1 crore and duty and another amount of Rs. 15 crores which is to be adjusted against their duty liability as and when the same is finally determined. The final quantification of their duty liability has not yet been possible because legal clarification is being sought about certain provisions of the Central Excise (Valuation) Rules, 1975.

**Violation of FERA Provisions by Thapar Group of Industries**

9. SHRI PARVATHANENI UPENDRA:

SHRI MUKHTIAR SINGH MALIK:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have detected violation of various provisions of FERA during the raids by the Enforcement Directorate on the office premises of the Thapar Group of Industries; and